11/16/82 S0320-1 A

ALASKA DEPARTMENT OF LABOR
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ALASKA ECONOMIC TRENDS

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Jay S. Hammond, Governor
State of Alaska

Edmund N. Orbeck, Commissioner
Department of Labor

John E. Post, Director
Administrative Services

Chuck Caldwell, Chief
Research and Analysis

Sally Saddler, Editor

In Cooperation With:
Employment Security Division
Alaska Department of Labor

Bureau of Labor Statistics
U.S. Department of Labor

Employment and Training Administration
U.S. Department of Labor

November 1982
Volume 2
Issue 11

ALASKA ECONOMIC TRENDS is published monthly by the Alaska Department of Labor, Research & Analysis Section, P.O. Box 1149, Juneau, Alaska 99811. Controlled circulation approval pending at Juneau, Alaska 99811.

POSTMASTER: Send address change to ALASKA ECONOMIC TRENDS, P.O. BOX 1149, Juneau, Alaska 99811.

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UNEMPLOYMENT INSURANCE AMENDMENTS

By Scott Hannigan

Several major amendments to state and federal unemployment insurance laws became effective in September. These amendments include revisions to the extended benefits (EB) "trigger" rate (which determines when additional benefit payments are paid), the enactment of a new federal supplemental compensation (FSC) program, and the enactment of a new supplemental state benefits (SSB) program.

ALASKA TRIGGERS OFF EB

Extended benefits are payable to claimants who have exhausted their state unemployment insurance (UI) during periods of high unemployment as determined by a state's insured unemployment rate (IUR). (See page 3). Previous state law provided for the payment of up to 13 additional weeks of benefits when the state's IUR equaled or exceeded 5% *or* equaled or exceeded 120% of the prior two year average *and* equaled or exceeded 4%. The rates under the new law have been raised to 6% and 5%, respectively. When these rates are equaled or exceeded, extended benefits are available to claimants during a period of at least 13 weeks or longer provided the rates remain equal to or above the established levels. Conversely, when the insured unemployment rate drops below those levels, extended benefits cannot be paid in the state for a minimum of 13 weeks or longer if the rate remains low.

This change in the EB trigger rate has caused Alaska to "trigger off" extended benefits for the first time since 1975. When the EB amendment became effective on September 26, 1982, Alaska's IUR was 5.19%; less than the 6% required. For a period of 13 weeks beginning October 24, 1982,1/ EB will be unavailable to Alaska's UI claimants. Since the historical IUR trend in Alaska has always shown an advancing rate in late

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1/ Although the trigger "off" occurred on 9/26/82, a four week period of payments is allowed by law to phase out EB. This makes effective date the week ending 10/24/82.

October or early November, there is little doubt that EB will "trigger on" again after this 13 week period (probably sooner, but the law requires a minimum 13 week "off" period).

EB ELIGIBILITY CHANGES AND STATE SUPPLEMENTAL BENEFITS

A major eligibility change was also added to the EB amendments. To qualify for extended benefits an individual must have earned total base period wages that equal or exceed 40 times the weekly benefit amount. Because this requirement could potentially deny EB payments to approximately 3.4% of Alaskan low income claimants otherwise eligible, the Alaska legislature enacted the state supplemental benefit program. The SSB program pays benefits under the same conditions, requirements, amounts and weeks as the extended benefit program. When EB is "triggered off", SSB will also be unavailable.

FEDERAL SUPPLEMENTAL COMPENSATION

The growing concern in the U.S. Congress over the magnitude of the national unemployment rate (the highest since the 1930's depression) led to the enactment of the federal supplemental compensation program as part of the Tax Equity and Fiscal Responsibility Act of 1982 (Public Law 97-248).

The FSC program provides for the payment of 6, 8, or 10 weeks of unemployment benefits depending on the economic condition of the individual states. A minimum of six weeks is payable in all states; eight weeks in states with an IUR equal to or exceeding 3.5%; and ten weeks in those states "triggered on" EB on or after June 18, 1982. Claimants in Alaska are eligible for ten weeks. To be eligible for FSC an individual must meet the following criteria:

1. Exhausted all rights to regular compensation under state law.

2. Have no rights to any other compensation under state or federal law (including EB).

3. Have base period earnings that equal or exceed 40 times the weekly benefit amount.

4. Have had no disqualification imposed for voluntary leaving, discharge for misconduct, or refusing suitable employment.

5. Register with the state Job Service.

6. Actively seek work (and provide the state agency with tangible evidence of sustained work search).

7. Have a benefit year that ended after June 1, 1982 or must have been entitled to receive extended benefits after June 1, 1982 and have a benefit year that ended no more than two years before the filing of an initial FSC claim.

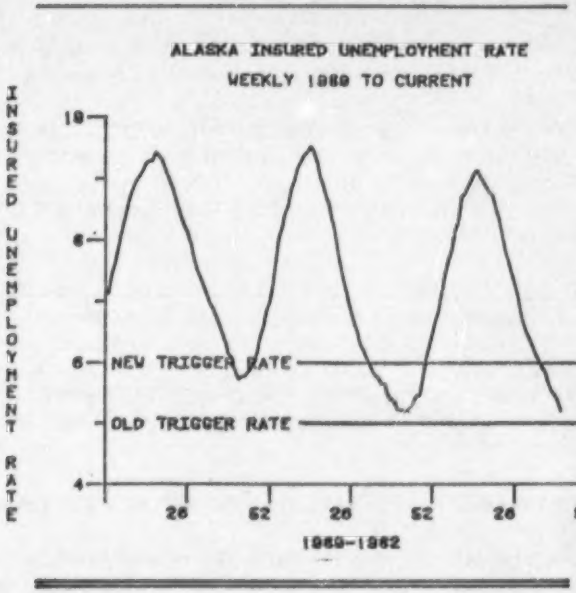
Benefit amounts paid under FSC are the same as those paid under the regular state UI program. All other provisions of the state law prevail. The FSC program is a temporary program which began with the week of September 12, 1982 and will expire the week of March 31, 1983. (EDITOR'S NOTE: Please refer specific eligibility questions to your nearest Job Service office.)

THE INSURED UNEMPLOYMENT RATE (IUR)

The insured unemployment rate (IUR) is a statistical indicator of the amount of unemployment occurring in jobs covered by a state's unemployment insurance laws. Only those persons collecting regular state UI are included in this indicator. The IUR should not be confused with the total unemployment rate (TUR) that is mentioned elsewhere in the publication. The TUR measures civilian labor force unemployment which includes more than workers covered by UI laws or collecting UI benefits. The TUR is based on a nationwide survey of households and is consistent from state to state. Alaska's IUR is not comparable to other state IURs. Such factors as UI eligibility requirements and amounts and duration of benefits affect the IUR. These factors are legislated in each individual state. Many claimants eligible for benefits in Alaska would not be eligible in other states. A combination of these internal factors precludes comparing IURs from state to state.

Alaska's IUR has almost always exceeded the IUR of all other states. The consistently high IUR in Alaska does not necessarily indicate an economy worse off than all other states. Alaska is very dependent on seasonal employment and also has liberal

UI coverage. Winter weather closes down a more substantial number of jobs in Alaska than in many areas. However, many states do not pay benefits to seasonal workers while Alaska does.



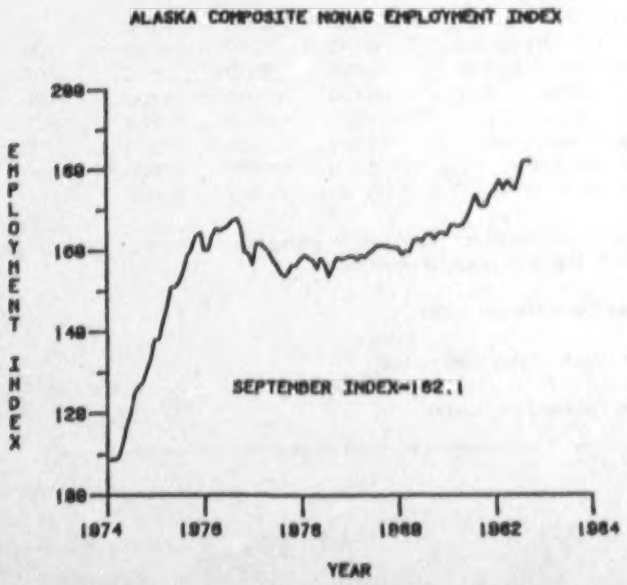
ALASKA

By Brit Harvey

NONAGRICULTURAL EMPLOYMENT

Alaska nonagricultural wage and salary employment declined during September by 3,100 jobs, or 1.5%. Compared to last year, employment is up by nearly 7%. Clearly Alaska's economy is continuing to expand vigorously.

The only substantial employment changes in September were in seafood processing and education. Seafood processing employment was almost halved from the August level, a loss of 5,400 jobs. While this decline was unusually steep, it may simply reflect the problems the industry encountered this year. It is probably more surprising that employment climbed as high as it did in July and August, than that it declined sharply in September.



NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ALASKA

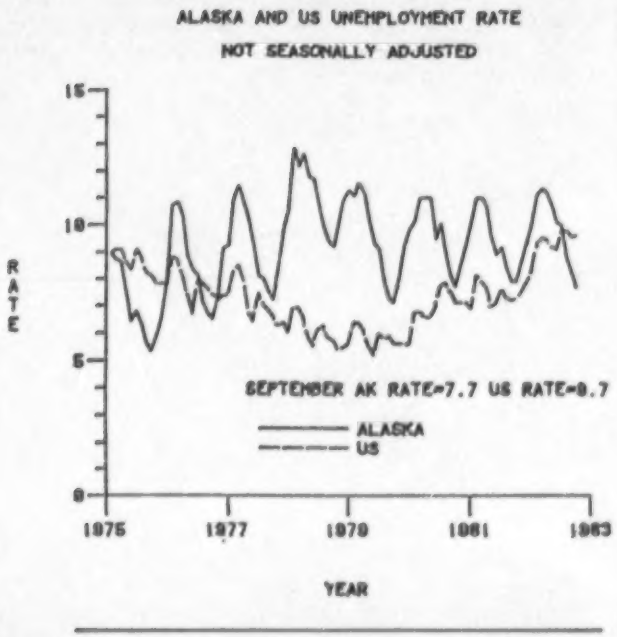
			CHANGES FROM:		
	P/	R/			
	9/82	8/82	9/81	8/82	9/81
Nonag. Wage & Salary.....	199100	202200	186500	-3100	12600
Mining	8100	8800	7500	-700	600
Construction	17900	18000	16300	-100	1600
Manufacturing	11900	17400	12900	-5500	-1000
Food & Kindred Prod.....	5900	11300	6900	-5400	-1000
Lumber & Paper Prod....	2500	2600	2700	-100	-200
All Other Mfg.	3500	3500	3300	0	200
Trans. Comm. & Util.....	20200	19800	19400	400	800
Trucking & Wheeing.	2300	2300	2200	0	100
Water Transportation	1900	1700	1800	200	100
Air Transportation	5800	6000	6000	-200	-200
Other Transportation Comm. & Utilities	10200	9800	9400	400	800
Trade	35200	34900	32300	300	2900
Wholesale Trade	7000	6900	6200	100	800
Retail Trade.....	28200	28000	26100	200	2100
Gen. Merchandise & Apparel	4600	4500	4300	100	300
Food Stores.....	4900	4700	4500	200	400
Eating & Drinking Places	10300	10300	9100	0	1200
Other Retail Trade	8400	8500	8200	-100	200
Finance-Ins. & R. Estate ..	9400	9300	8700	100	700
Services & Misc.....	34700	35100	32700	-400	2000
Government	61700	58900	56700	2800	5000
Federal Government	18300	18300	17500	0	800
State Government	18300	17400	16700	900	1600
Local Government.....	25100	23200	22500	1900	2600

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.



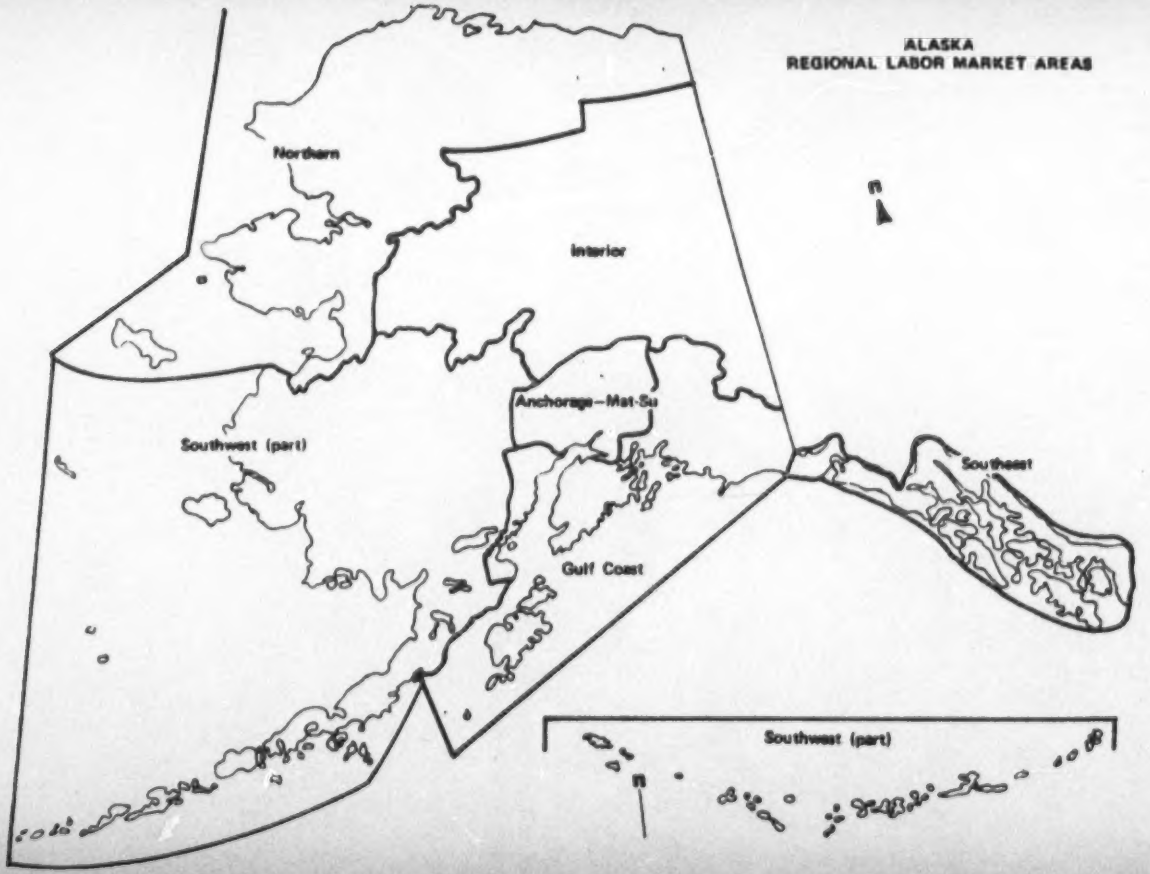
Education added 3,050 jobs as the school year began. Further increases will be registered in October as some school districts did not begin until after the sample week (the week including the twelfth) used for employment estimates.

Last fall nonagricultural employment did not fall as steeply as in previous years, particularly in the construction industry. It appears that this pattern will repeat this year, as construction employment remains a strong 10% above last year's boom level.

UNEMPLOYMENT

The Alaska unemployment rate dropped to 7.7% in September, down from 8.3% in August. This compares to the U.S. September not seasonally adjusted rate of 9.7%. Last year's Alaska September rate was 7.9%.

While the unemployment rate usually falls in September, the 0.6 percentage point drop this year is somewhat steeper than usual. For most of 1982 the unemployment rate was above 1981. However, September's decline brought the rate roughly


ALASKA
REGIONAL LABOR MARKET AREAS
Northern
Interior
Anchorage—Mat-Su
Southwest (part)
Southeast
Gulf Coast
Southwest (part)

in line with last year, indicating that Alaska's rapidly expanding employment has absorbed the large number of in-migrants arriving in the state this year.

ANCHORAGE/MATSU

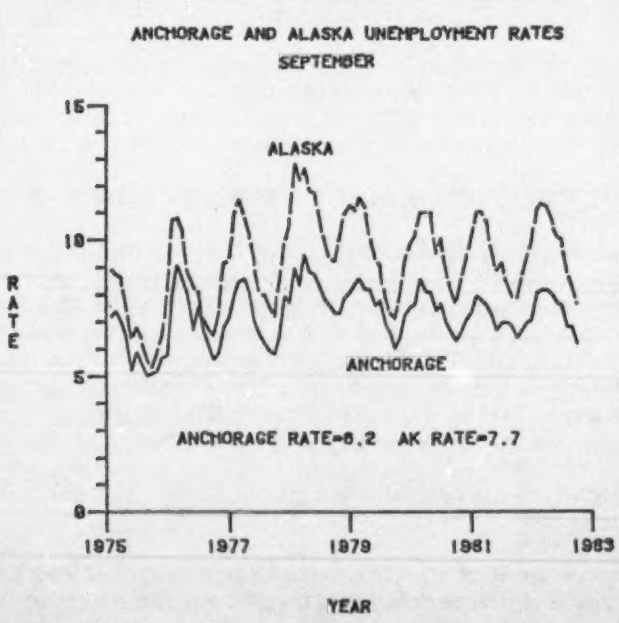
By Greg Huff

LABOR FORCE

The unemployment rate for the Anchorage-MatSu region fell eight-tenths of a percentage point to 6.6% in September. This was an unusually large August to September decrease caused primarily by a sharp decline in the number of unemployed. Also this was the first time this year the region's monthly unemployment rate registered below the year ago rate. This may indicate that the pace at which workers were entering the Anchorage labor force has tapered off for the winter. Time is needed to detect if this is a new trend or just a one month aberration.

NONAGRICULTURAL EMPLOYMENT

Anchorage total nonagricultural wage and salary employment



NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE-MATSU

			CHANGES FROM:		
	P/ 9/82	R/ 8/82	9/81	8/82	9/81
Nonag. Wage & Salary.....	101050	100900	92650	150	8400
Mining	3600	3800	3250	-200	350
Construction	10650	10600	9300	50	1350
Manufacturing	2650	2850	2350	-200	300
Trans. Comm. & Util.	10100	10150	9350	-50	750
Trade	21700	21400	19400	300	2300
Finance-Ins. & R. Estate ..	6500	6600	6050	-100	450
Services & Misc.	19850	19950	18600	-100	1250
Government	26000	25550	24350	450	1650

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

In September netted a two-tenths of a percent increase, despite the fact that employment in a majority of industries declined over the month. Increases in retail trade, construction and school employment offset these employment declines.

CONSTRUCTION EMPLOYMENT (1981-1982)

With termination dust just topping the mountain peaks September construction employment appears to have peaked for this season. Employment in September stood at 10,250,-14.5% above the year ago level and larger than the previous peak of 10,000 in August 1976. Because many projects now underway will take several quarters to complete, construction employment is expected to remain relatively strong through the winter despite seasonal declines. While it is difficult to predict activity farther into 1983 it is highly unlikely that construction activity and employment growth can duplicate that of the 1981 and 1982 seasons.

The ingredients of the "construction boom" of the past two years were activated last summer and steamed ahead into

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE

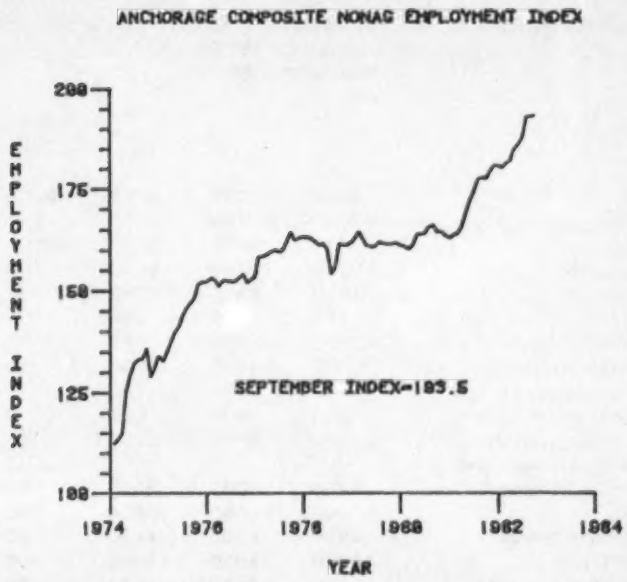
	P/ 9/82	R/ 8/82	9/81	CHANGES FROM: 8/82	9/81
Nonag. Wage & Salary.....	97300	97150	89100	150	8200
Mining	3500	3650	3150	-150	350
Construction	10250	10150	8950	100	1300
Manufacturing	2550	2800	2250	-250	300
Food & Kindred Prod.....	450	700	500	-250	-50
Other Mfg.	2100	2100	1750	0	350
Trans. Comm. & Util.	9800	9850	8950	-50	850
Trucking & Wheeing.	1350	1350	1250	0	100
Water Transportation	600	600	500	0	100
Air Transportation	3450	3600	3250	-150	200
Other Transportation Comm. & Utilities	4400	4300	3950	100	450
Trade	21000	20650	18650	350	2350
Wholesale Trade	4850	4800	4400	50	450
Retail Trade.....	16150	15850	14250	300	1900
Gen. Merchandise.....	2000	1950	1950	50	50
Food Stores.....	2400	2350	2100	50	300
Eating & Drinking Places	5750	5600	4950	150	800
Other Retail Trade	6000	5950	5250	50	750
Finance-Ins. & R. Estate ..	6450	6500	6000	-50	450
Services & Misc.....	19250	19450	18100	-200	1150
Government	24500	24100	23050	400	1450
Federal	10150	10200	9800	-50	350
State	6350	5950	5450	400	900
Local.....	8000	7950	7800	50	200

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.



1982. Although the increased construction activity in 1981 was not unexpected, the magnitude and diversity was. Private and public funds combined into an explosive force as residential, commercial and road projects were set into motion simultaneously. The Alaska Housing Finance Corporation (AHFC) mortgage program fueled demand for single family residences and condominiums, while record appropriations for road projects set the pace for road construction and a short supply of commercial office space induced the office building boom.

In 1981 construction employment grew more than 18% and accounted for 20% of the increase in total nonagricultural employment. More than 3,400 housing units were authorized by building permits in 1981, nearly a three-fold increase from 1980. Construction valuation in 1981 (excluding road expenditures) exceeded $422 million. The momentum continued into 1982. Construction employment remained unseasonally high through the first quarter of 1982 and continued to expand through the summer. September construction employment registered gains of 14.5% over the year ago level. Construction employment in September represented 10.5% of total Anchorage nonagricultural employment, up slightly from 10% in September of last year. Throughout the year construction

LABOR FORCE BY REGION AND CENSUS DIVISION

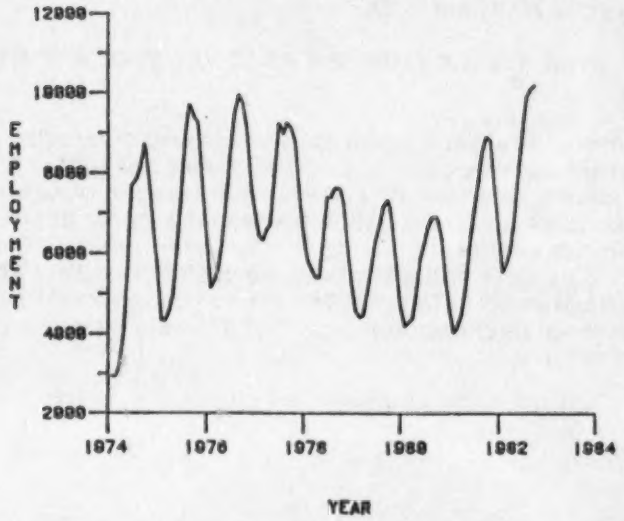
	Labor Force			Unemployment			Rate			Employment		
	P 9/82	R 8/82	9/81	P 9/82	R 8/82	9/81	P 9/82	R 8/82	9/81	P 9/82	R 8/82	9/81
Alaska Statewide	205631	211775	198565	15909	17653	15660	7.7	8.3	7.9	189722	194122	182905
Anch.-MatSu Region	106353	108006	99929	7056	8027	6787	6.6	7.4	6.8	99297	99979	93142
Anchorage	96028	97357	90315	5933	6643	5805	6.2	6.8	6.4	90095	90714	84510
Matanuska-Susitna	10325	10649	9614	1123	1384	982	10.9	13.0	10.2	9202	9265	8632
Gulf Coast Region	22984	25338	22272	2565	2015	2042	11.2	8.0	9.2	20419	23323	20230
Cordova	1157	1286	1155	64	38	72	5.5	3.0	6.2	1093	1248	1083
Kenai	11926	13233	11440	1522	1349	1132	12.8	10.2	9.9	10404	11884	10308
Kodiak	5186	5556	5020	524	230	401	10.1	4.1	8.0	4662	5326	4619
Seward	1695	1840	1638	239	177	195	14.1	9.6	11.9	1456	1663	1443
Valdez	3020	3423	3019	216	221	242	7.2	6.5	8.0	2804	3202	2777
Interior Region	26920	26934	26486	2777	3077	2634	10.3	11.4	9.9	24143	23857	23852
Fairbanks	22026	22017	21561	2348	2573	2120	10.7	11.7	9.8	19678	19444	19441
Southeast Fairbanks	2129	2145	2159	155	194	209	7.3	9.0	9.7	1974	1951	1950
Upper Yukon	658	666	648	69	84	66	10.5	12.6	10.2	589	582	582
Yukon-Koyukuk	2107	2106	2118	205	226	239	9.7	10.7	11.3	1902	1880	1879
Northern Region	9092	8864	8897	506	702	582	5.6	7.9	6.5	8586	8162	8315
Barrow-North Slope	2453	2371	2416	137	169	176	5.6	7.1	7.3	2316	2202	2243
Kobuk	2845	2779	2752	180	246	172	6.3	8.9	6.3	2665	2533	2580
Nome	3794	3714	3726	189	287	234	5.0	7.7	6.3	3605	3427	3492
Southeast Region	29911	30888	30649	2377	2623	2883	7.9	8.5	9.4	27534	28265	27766
Angoon	395	447	403	31	73	35	7.8	16.3	8.7	364	374	368
Haines	1022	1055	1016	93	101	81	9.1	9.6	8.0	929	954	937
Juneau	10636	10945	10628	643	684	750	6.0	6.2.	6.9	9995	10261	10078
Ketchikan	6171	6811	6798	379	865	957	6.1	12.7	14.1	5792	5946	5841
Outer Ketchikan	753	792	843	71	92	155	9.4	11.6	18.4	682	700	688
Prince of Wales	1453	1465	1454	179	157	169	12.3	10.7	11.6	1274	1308	1285
Sitka	4603	4485	4380	565	340	308	12.3	7.6	7.0	4038	4145	4072
Skagway	1460	1456	1452	113	74	94	7.7	5.1	6.5	1347	1382	1358
Wrangell-Petersburg	3416	3432	3473	303	237	334	8.9	6.9	9.6	3113	3195	3139
Southwest Region	10371	11745	10332	628	1209	732	6.1	10.3	7.1	9743	10536	9600
Aleutian Islands	2736	2997	2711	87	132	100	3.2	4.4	3.7	2649	2865	2611
Bethel	3357	3918	3402	258	566	348	7.7	14.4	10.2	3099	3352	3054
Bristol Bay Borough	378	404	366	28	26	21	7.4	6.4	5.7	350	378	345
Bristol Bay	1377	1522	1354	69	107	65	5.0	7.0	4.8	1308	1415	1289
Kuskokwim	899	1057	909	54	143	76	6.0	13.5	8.4	845	914	833
Wade Hampton	1624	1847	1590	132	235	122	8.1	12.7	7.7	1492	1612	1468

P/=Preliminary 1981 Benchmark

R/=Revised

Federal guidelines require the use of unrounded labor data, adjusted to be consistent with the Current Population Survey (CPS) in formulas used to allocate federal funds. Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor; because Alaska's CPS sample size is inadequate to accurately indicate monthly changes in level. The sampling errors are random in nature; meaning that the unemployment rates, in any given month, are as likely to be high as frequently as they are low. The official definitions of unemployment, currently in place, exclude anyone who has made no attempt to find work in the four week period up to and including the week that includes the twelfth of each month. Most economists feel that Alaska's bush localities have proportionately more of these discouraged workers.

ANCHORAGE CONSTRUCTION EMPLOYMENT



employment has been growing at a faster pace than employment in the economy as a whole.

During the post-earthquake rebuild in 1964 and 1965 annual average construction employment climbed to more than 10% of total Anchorage employment and then declined to 7.3% by 1968. Construction employment's share of total employment rose again in 1970 for pre-pipeline start-up, peaked in 1975 and 1976 during the height of pipeline construction at 10.0%, and then fell to 7.1% in 1980. In 1981 the share rose to 8.0% and has continued upward in 1982. Construction valuation through August 1982 for the Anchorage Bowl was nearly $421 million up from $310 million in August 1981. The number of housing units authorized by building permits rose 81% over comparable 1981 data. However, the permit structure has changed from the 1981 season. Single family residences made up 66% of the total permits issued last year compared to 47% this year. The shift represents an increase in permits for condominium units. Last year condominiums represented 13% of authorized housing units compared to 35% this year. Anchorage's percentage share of statewide housing unit permits increased from 65% last year to 75% this year. This fact, combined with

the office space building boom, increased Anchorage's share of statewide construction employment to more than 59% compared to 57% last year.

1981 and 1982 COMPARED TO THE PIPELINE BOOM

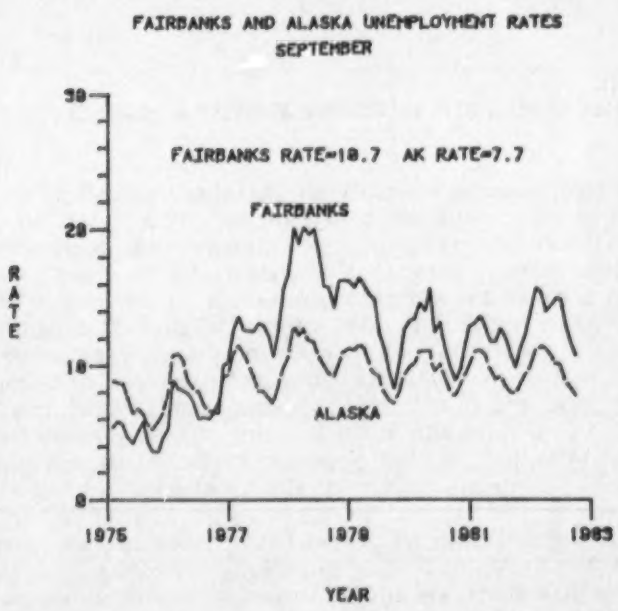
The primary difference in the magnitude and diversification of the current construction boom has been the fact that all of construction (residential, commercial, heavy construction, and special trade construction) received a boost at one time. The story was different during the "pipeline boom". General construction (residential and commercial) peaked in 1975 and declined between 1976 and 1981. Heavy construction peaked in 1976 and declined through 1979, while special trades peaked in 1977.

FAIRBANKS/INTERIOR

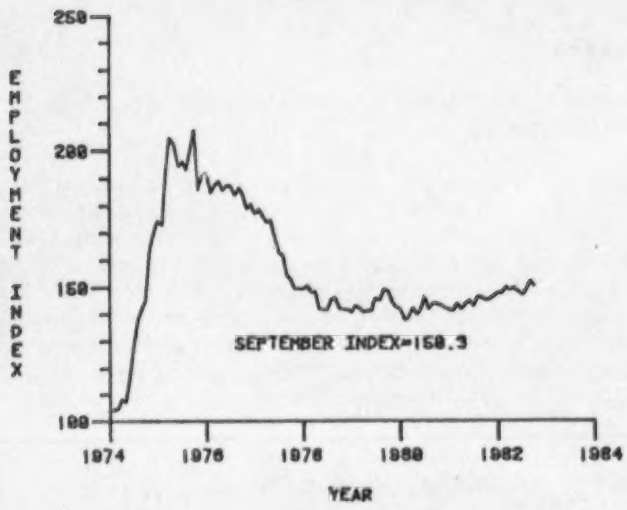
By Neal Fried

NONAGRICULTURAL EMPLOYMENT AND LABOR FORCE

Fairbanks nonagricultural wage and salary employment turned upward in September because of an increase of 500 in University of Alaska and local school employment. All other major industry groups remained unchanged or declined. The interior region's unemployment rate for September declined to 10.3% as a result of the season's last upward push in employment combined with a decline in the number of unemployed. September's rate, however, registered higher than the year ago rate.



FAIRBANKS COMPOSITE NONAG EMPLOYMENT INDEX



A SNAPSHOT OF BUSINESSES EMPLOYMENT SIZE

On a monthly basis we publish and discuss labor force and wage and salary statistics. These statistics, however, do not provide information regarding business establishment size in the Fairbanks economy. One source that does shed some light into this area is the annual publication *County Business Patterns* published by the U.S. Bureau of the Census. This publication provides a great deal of information already produced by the Alaska Department of Labor, such as employment by industry, payroll data, and number of business establishments (Labor definition of business establishment differs slightly from the Census definition.) It also contains statistics regarding business establishment size by industry for Alaska, each of Alaska's 29 census divisions, and for counties throughout the country. The most recent data, published in July of this year, provide a snapshot in time, that reflects activity for 1980. The data are restricted to the private sector; therefore this discussion will be limited to private sector, not total employment.

In 1980 there were 1,075 business establishments in Fairbanks. The average establishment size was 11 employees, compar-

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
INTERIOR

	P/	R/		CHANGES FROM:	
	9/82	6/82	9/81	6/82	9/81
Nonag. Wage & Salary.....	27850	27300	26950	550	900
Mining	250	250	250	0	0
Construction	2550	2550	2550	0	0
Manufacturing	600	600	700	0	-100
Trans. Comm. & Util.	3750	3750	3750	0	0
Trade	4700	4650	4500	50	200
Finance-Ins. & R. Estate ..	900	850	800	50	100
Services & Misc.	4900	4950	4750	-50	150
Government	10200	9700	9650	500	550

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

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able to 12 statewide, 13 in Anchorage. Nationwide there was an average of 16 employees per establishment. Twenty of Alaska's 29 census divisions had an average employment per establishment size below that of Fairbanks. In 1974 (the earliest date for which comparable data exist for Fairbanks) the average business in Fairbanks had 10 employees.

Growth in the Fairbanks economy has caused the average business size to grow. Given the fact that Fairbanks has the second largest economy in the state, it should come as no surprise that its employment per establishment is greater than most other divisions in the state. As the economy has grown, existing firms in the area have expanded and have increasingly taken advantage of the economies of scale. When these economies of scale reach some critical size, larger national firms with greater capital resources begin to enter the local economy. This manifested itself particularly in the Fairbanks retail sector, but has occurred to a lesser extent in all its industries. This trend toward a larger sized firm will endure as long as the local economy continues to expand.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
FAIRBANKS

			CHANGES FROM:	
	P/ 9/82	R/ 8/82	9/81	8/82	9/81
Nonag. Wage & Salary.....	23950	23800	23150	150	800
Mining	50	50	50	0	0
Construction	2400	2450	2400	-50	0
Manufacturing	500	500	550	0	-50
Trans. Comm. & Util.	2800	2900	2850	-100	-50
Trucking & Wheeing.	450	450	450	0	0
Air Transportation	700	750	700	-50	0
Other Trans. Comm. & Utilities.....	1650	1700	1700	-50	-50
Trade	4300	4300	4150	0	150
Wholesale Trade	750	750	700	0	50
Retail Trade.....	3550	3550	3450	0	100
Gen. Merchandise & Apparel	400	400	400	0	0
Food Stores.....	600	550	550	50	50
Other Retail Trade	2550	2600	2500	-50	50
Finance-Ins. & R. Estate ..	800	800	750	0	50
Services & Misc.....	4450	4650	4300	-200	150
Government	8650	8150	8100	500	550
Federal	2500	2500	2400	0	100
State	3800	3550	3400	250	400
Local.....	2350	2100	2300	250	50

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

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Fifty-five percent of Fairbanks business establishments have 1-4 employees and 89% of the establishments have 19 employees or less. This is virtually identical to the state's distribution and only two percentage points above the national distribution. Though most Fairbanks business establishments are small, more than 50% of the people working in the private sector work in establishments with 20 or more workers. The average number of employees per establishment varies between industries from a low of 9 employees in construction to a

high of 26 in transportation and public utilities. The average employee per establishment sizes of other industries are retail trade (12), finance, insurance and real estate (14) and services (11).

Though this is only a synopsis of the information that can be found in *County Business Patterns*, this discussion provides some further insight into the Fairbanks labor market.

GULF COAST

By Neal Fried

LABOR FORCE

The unemployment rate for the Gulf Coast region rose sharply in September to 11.2% as a result of a decline in employment and a large increase in the number of unemployed. This is nothing new to the region where seafood processors are the dominant seasonal employers and employment in this industry fluctuates wildly. Fish processing employment in September dropped by 2,400 from August.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
GULF COAST

	P/	R/		CHANGES FROM:	
	9/82	8/82	9/81	8/82	9/81
Nonag. Wage & Salary.....	17650	20050	17350	-2400	300
Mining	900	900	900	0	0
Construction	1250	1300	1150	-50	100
Manufacturing	3700	6150	3850	-2450	-150
Food & Kindred Prod.....	2900	5300	2900	-2400	0
All Other Mfg.	800	850	950	-50	-150
Trans. Comm. & Util.	1750	1700	1700	50	50
Trade	2600	2700	2550	-100	50
Wholesale Trade	400	450	400	-50	0
Retail Trade.....	2200	2250	2150	-50	50
Finance-Ins. & R. Estate ..	450	450	450	0	0
Services & Misc.....	2650	2800	2550	-150	100
Government	4350	4050	4200	300	150
Federal	500	500	550	0	-50
State	1450	1400	1400	50	50
Local.....	2400	2150	2250	250	150

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

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VALDEZ: THE LEAST SEASONAL GULF COAST COMMUNITY

Very few Gulf Coast communities escape the wild employment fluctuations that are inherent in Alaska's fishing industry. One major community in the region which has an economy that is largely immune from these oscillations despite its coastal location is Valdez. Valdez may physically resemble some of the region's communities, however, its economic base is entirely unlike any other.

This year two small fish processors were operating in Valdez. However, their employment share of the Valdez labor market was very small in comparison to many of the other industries. Valdez employment experiences much less seasonal impact than other communities in the region as employment fluctuates from its high month to its low month by approximately 25%. Employment in other Gulf Coast communities fluctuates as much as 66%.

When referring to Valdez employment we are referring to the Valdez-Chitina-Whittier census division which includes not only the city of Valdez but also the cities of Glennallen, Copper Center, Gulkana, Gakona and other small communities. The city of Valdez is responsible for the lion's share of the employment found in the division.

Valdez employment and population, both of which tripled over the decade, grew faster than nearly every community in the state and all communities in the region. The single largest private sector industry is transportation; the transportation of oil. Unlike anywhere else in the state, transportation, communication and public utilities employ 20-22% of the wage and salary workers in Valdez. The largest group of these workers is employed at the Alyeska Pipeline terminal. Employment in this industry alone has grown from 61 in 1970 to 500 in 1980.

Other industries have shared in this rapid growth over the decade with employment in trade doubling and services growing by 350%. Government only grew by 59%, but remains the single largest employer, employing approximately 40% of the working population. Valdez, an integral part of the pipeline experience, went through the boom-bust cycle of that project. Peak employment of 7,200 was reached in August 1976 and employment fell to its low point of 1,800 in December 1978. Despite the post-pipeline employment decline the permanent

work force is now 2.5 times greater than pre-pipeline employment levels.

Once Valdez employment stabilized in 1978 and 1979, it began to grow again, in a steady manner unlike pipeline boom time. With its enlarged tax base (primarily the result of the pipeline terminal) the city of Valdez began to undertake a variety of projects to diversify the economy and to enhance the community. Unlike most communities that had to wait for state funding of major capital undertakings, Valdez has been able to strike out on its own and get a head start. In addition to a number of smaller projects, Valdez recently completed a $6 million Civic Auditorium. Presently the city is funding the construction of a $9 million grain terminal with which they hope to capture some or all of the grain export business that may be generated by the Delta Agricultural Project. (The city plans to sell the terminal to a private firm.) Work is also being completed on a $48 million container terminal and floating dock. With the new dock Valdez hopes to become the new gateway for freight headed to the interior and northern parts of the state as well as for freight leaving Alaska. These projects have generated additional construction employment in Valdez as well as the hope that the projects will generate additional permanent employment not dependent on oil.

SOUTHEAST ALASKA

By Debbie Berggren

NONAGRICULTURAL EMPLOYMENT AND LABOR FORCE

Southeast nonagricultural wage and salary employment decreased 2% to 28,500 during September. Despite the drop in employment, the unemployment rate declined six-tenths of a percentage point to 7.9%.

Construction employment was down 3% over the month. Heavy construction employment was 3% above August, but was 36% below year-ago. The over-the-year decrease can be attributed to the completion of several projects which include Green Lake Dam, the Juneau-Douglas bridge, and the Douglas highway. Special trades employment was down 11% over the month, but was 31% above last year.

Manufacturing employment declined 17%, or 650 jobs, during September. As the salmon season ended, food and kindred products employment decreased 30% over the month. Logging employment which was down 25%, or 250 jobs, over the month will continue to decrease in October. Seven logging camps which contract to Alaska Lumber and Pulp Company shut down their logging operations at the beginning of October. These camps are Larabee Log, Mud Bay Logging, Silver Bay Logging, Sotherberg Bay Logging, Troy Bay Logging, Tyler Brothers Logging and L.O.G. Logging. The camps which typically reduce operations in December are closing early because of the continuing poor international timber and pulp markets. During September, Alaska Lumber and Pulp Company closed its Sitka pulpmill for approximately a month. This was almost a complete closure with only a few employees left working. The nonagricultural wage and salary employment estimate did not reflect the closure because these people were employed for part of the pay period which included the 12th of the month. However, Sitka's unemployment rate, which increased from 7.6% in August to 12.3% in September, reflected the closure because these people were filing for unemployment insurance. On the other hand, Ketchikan's unemployment rate decreased from 12.7% in August to 6.1% in September. This was because the Ketchikan pulpmill, which was closed

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
SOUTHEAST ALASKA

			CHANGES FROM:		
	P/ 9/82	*R/* 8/82	9/81	8/82	9/81
Nonag. Wage & Salary.....	28500	29050	28200	-550	300
Construction	1700	1750	1800	-50	-100
Manufacturing	3200	3850	3450	-650	-250
Food & Kindred Prod.....	1050	1500	1150	-450	-100
Lumber & Paper Prod....	1850	2050	2100	-200	-250
All Other Mfg.	300	300	200	0	100
Trans. Comm. & Util.	2600	2600	2800	0	-200
Trade	4450	4500	4150	-50	300
Wholesale Trade	400	450	450	-50	-50
Retail Trade.....	4050	4050	3700	0	350
Finance-Ins. & R. Estate ..	1100	1100	1050	0	50
Mining, Services & Misc.....	4250	4350	4000	-100	250
Government	11200	10900	10950	300	250
Federal	2050	2100	2150	-50	-100
State	5350	5150	5000	200	350
Local.....	3800	3650	3800	150	0

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

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during July and part of August, was back in operation during September.

Government was the only industry which had increased employment during September. Due to the start of the new school year, state and local education employment increased 150 and 200 jobs, respectively. State noneducation employment increased by 50 jobs, while local noneducation employment dropped by 50 jobs.

HOURS AND EARNINGS IN AUGUST

By Su Hendrix

Current hours and earnings indicated a 26% over-the-year increase in mining's average weekly earnings. This rise was due to several factors. Employment in mining other than oil and gas was higher than it has ever been. Since this sector traditionally works higher hours during its summer season, the average weekly hours for the whole industry rose. The fact that oil and gas mining did not experience its usual summer slump added to these higher hours. The 15% over-the-year increase in average hourly earnings was partly due to the fact that the higher paid oil and gas workers worked through the anticipated summer slump and partly because of union wage increases for many of the oil and gas support services. Support services include activities such as maintenance, repair, and building of oil rigs, much of which is done on a contract basis.

Though employment in the food processing sector did not meet year-ago levels, average weekly hours worked surpassed year-ago figures. The over-the-month increase in average weekly hours was 24% due to long hours worked during peak salmon catches.

There were no other significant changes in August hours and earnings.